

AMENDED IN ASSEMBLY JUNE 30, 2014

AMENDED IN ASSEMBLY JUNE 10, 2014

AMENDED IN SENATE MAY 23, 2014

AMENDED IN SENATE APRIL 29, 2014

AMENDED IN SENATE APRIL 3, 2014

SENATE BILL

No. 1315

Introduced by Senator Monning

February 21, 2014

An act to amend Section 14043.7 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1315, as amended, Monning. Medi-Cal: providers.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions.

Existing law permits the department to make unannounced visits to an applicant or to a provider for the purpose of determining whether enrollment, continued enrollment, or certification as a provider is warranted, or as necessary for the administration of the Medi-Cal program. Existing law further requires that a provider be subject to temporary suspension from the Medi-Cal program, which includes temporary deactivation of the provider's number, for failure to remediate significant discrepancies in information that he or she provided to the department or for failure to remediate significant discrepancies that are

discovered as a result of an announced or unannounced visit to ~~a~~ *the* provider, as specified. Existing law requires the provider to be notified, in writing, of the temporary suspension and deactivation of provider numbers.

This bill would require that notice of temporary suspension to contain a list of discrepancies to be remediated and the timeframe in which the provider needs to remediate those discrepancies, which must be at least 60 days from the date the notice of temporary suspension is issued. The bill would require the department to lift a temporary suspension and notify a provider that the temporary suspension has been lifted and that he or she is eligible to receive reimbursement for Medi-Cal services provided after the date the temporary suspension was lifted if the provider has demonstrated that the identified discrepancies have been remediated within the applicable timeframe. The bill would require the department to send a notice to a provider who fails to remediate the identified discrepancies in the ~~allotted~~ *applicable* timeframe stating that he or she will be removed from enrollment as a provider in the Medi-Cal program by operation of law based on failure to remediate the identified discrepancies.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14043.7 of the Welfare and Institutions
2 Code is amended to read:
3 14043.7. (a) The department may make unannounced visits
4 to an applicant or to a provider for the purpose of determining
5 whether enrollment, continued enrollment, or certification is
6 warranted, or as necessary for the administration of the Medi-Cal
7 program. If an unannounced site visit is conducted by the
8 department for any enrolled provider, the provider shall permit
9 access to any and all of their provider locations. If a provider fails
10 to permit access for any site visit, the application shall be denied
11 and the provider shall be subject to deactivation. At the time of
12 the visit, the applicant or provider shall be required to demonstrate
13 an established place of business appropriate and adequate for the
14 services billed or claimed to the Medi-Cal program, as relevant to
15 his or her scope of practice, as indicated by, but not limited to, the
16 following:

1 (1) Being open and available to the general public.

2 (2) Having regularly established and posted business hours.

3 (3) Having adequate supplies in stock on the premises.

4 (4) Meeting all local laws and ordinances regarding business
5 licensing and operations.

6 (5) Having the necessary equipment and facilities to carry out
7 day-to-day business for his or her practice.

8 (b) An unannounced visit pursuant to subdivision (a) shall be
9 prohibited with respect to clinics licensed under Section 1204 of
10 the Health and Safety Code, clinics exempt from licensure under
11 Section 1206 of the Health and Safety Code, health facilities
12 licensed under Chapter 2 (commencing with Section 1250) of
13 Division 2 of the Health and Safety Code, and natural persons
14 licensed or certified under Division 2 (commencing with Section
15 500) of the Business and Professions Code, the Osteopathic
16 Initiative Act, or the Chiropractic Initiative Act, unless the
17 department has reason to believe that the provider will defraud or
18 abuse the Medi-Cal program or lacks the organizational or
19 administrative capacity to provide services under the program.

20 (c) (1) Failure to remediate significant discrepancies in
21 information provided to the department by the provider or
22 significant discrepancies that are discovered as a result of an
23 announced or unannounced visit to a provider, for purposes of
24 enrollment, continued enrollment, or certification pursuant to
25 subdivision (a) shall make the provider subject to temporary
26 suspension from the Medi-Cal program, which shall include
27 temporary deactivation of the provider's number, including all
28 business addresses used by the provider to obtain reimbursement
29 from the Medi-Cal program. The director shall notify in writing
30 the provider of the temporary suspension and deactivation of
31 provider numbers, which shall take effect 15 days from the date
32 of the notification. Notwithstanding Section 100171 of the Health
33 and Safety Code, proceedings after the imposition of sanctions in
34 this subdivision shall be in accordance with Section 14043.65.

35 (2) A notice of temporary suspension issued pursuant to
36 paragraph (1) shall include the following:

37 (A) A list of discrepancies required to be remediated.

38 (B) The timeframe in which a provider may demonstrate to the
39 department that the discrepancies identified pursuant to
40 subparagraph (A) have been remediated. The timeframe in which

1 a provider may remediate discrepancies shall not be less than 60
2 days from the date the notice of the temporary suspension is issued.

3 (3) If a provider who has received a notice of temporary
4 suspension pursuant to paragraph (1) demonstrates to the
5 department that the discrepancies identified pursuant to
6 subparagraph (A) of paragraph (2) have been remediated and meets
7 the standards of participation within the timeframe specified in
8 subparagraph (B) of paragraph (2), the department shall lift the
9 temporary suspension and shall notify the provider that the
10 temporary suspension has been lifted and that he or she is eligible
11 to receive Medi-Cal reimbursement for services provided after the
12 date the temporary suspension was lifted.

13 (4) If a provider has received a site visit pursuant to this section
14 that results in a notice of temporary suspension pursuant to
15 paragraph (1), and the provider fails to remediate the discrepancies
16 identified pursuant to subparagraph (A) of paragraph (2) within
17 the timeframe specified in subparagraph (B) of paragraph (2),
18 the department shall send the provider a notice stating that the
19 provider will be removed from enrollment as a provider in the
20 Medi-Cal program by operation of law based on failure to
21 remediate the discrepancies identified in the notice of temporary
22 suspension.

23 ~~(d) (1) This section shall become operative on the effective~~
24 ~~date of the state plan amendment necessary to implement this~~
25 ~~section, as stated in the declaration executed by the director~~
26 ~~pursuant to paragraph (2).~~

27 ~~(2) Upon approval of the state plan amendment necessary to~~
28 ~~implement this section under Section 455.416 of Title 42 of the~~
29 ~~Code of Federal Regulations, the director shall execute a~~
30 ~~declaration, to be retained by the director and posted on the~~
31 ~~department's Internet Web site, that states that this approval has~~
32 ~~been obtained and the effective date of the state plan amendment.~~
33 ~~The department shall transmit a copy of the declaration to the~~
34 ~~Legislature.~~